

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

IN RE WORLD TRADE CENTER DISASTER  
LITIGATION

21 MC 100 (AKH)

21 MC 102 (AKH)

21 MC 103 (AKH)

IN RE LOWER MANHATTAN DISASTER SITE  
LITIGATION

IN RE COMBINED WORLD TRADE CENTER AND  
LOWER MANHATTAN DISASTER SITE LITIGATION

*This report shall be posted  
on the court's 9/11 web page.  
An amended report is awaited  
to identify the aggregate dollar  
distributed for the claimants of each  
tier, and for admin. expenses.*

**FINAL PAYMENT REPORT FROM THE ALLOCATION NEUTRAL**

The Allocation Neutral respectfully submits this final report regarding payments made pursuant to the World Trade Center Litigation Settlement Process Agreement, As Amended ("Settlement Process Agreement"). Exhibit 1 summarizes the payment information contained in this report. The Exhibit was originally submitted in the "PAYMENT STATUS REPORT FROM THE ALLOCATION NEUTRAL" dated March 9, 2011 ("March 9th Report"), and was subsequently updated and submitted to the Court in April, May, July, August and November, 2011. This narrative supplements Exhibit 1 and all previous reports. For the Court's convenience, capitalized terms not defined herein shall have the meaning ascribed to them in the Settlement Process Agreement.

The Allocation Neutral is pleased to inform the Court that the Allocation Process is complete. Through the tireless effort of all involved, the objective was accomplished: to execute a "state-of-the-art" settlement program and to complete Final Distributions within approximately one year of the Final Settlement Agreement Effective Date.

*The Allocation Neutral, in addition  
to the contingencies  
cited, also  
shall re-  
open the  
administration  
to perform  
final orders  
relating to  
bonus  
payments  
and  
contingency  
payments  
as provided  
for by the SPA.*

*S. ordered  
1-27-12  
Alvin K. Hellerstein*

Perhaps more significant than the speed in which this program was completed is the volume of work processed over the course of the past 10 months since the conclusion of the claims submission deadline:

- 10,112 Claim Forms
- Over 15,000 work verification documents
- Over 160,000 medical record files
- Over 1,000 Medicaid liens resolved (waived or adjudicated)
- Over 1,000 Workers' Compensation Liens reported (waived or adjudicated)
- Over 2,200 Deficiency Notices issued
- Over 1,800 Deficiency Cures
- 1,123 Reconsideration Requests
- 342 Appeals
- 455 Expense Audits (randomly selected per the Settlement Process Agreement)
- Over 350 sets of estate and personal representative documents
- Over 300 Random Audits of medical records (per the Settlement Process Agreement)
- 49 Payment Instruction Reports
  - Initial Payments (all Tiers) to 15,403 Primary and Derivative Plaintiffs
  - Accelerated Final Payments (Tiers 2 & 3) to 3,566 Primary and Derivative Plaintiffs
  - Interim Payments (Tier 4) to 8,611 Primary and Derivative Plaintiffs
  - Permanent Disability Fund Awards to 1,339 Primary Plaintiffs
  - Mixed Orthopedic Injury Payments to 68 Primary Plaintiffs
  - 286 Qualifying Surgery Payments to Primary Plaintiffs

- 524 Marine Payments (Tier 1-3) to Primary Plaintiffs
- Final Distributions (Tier 4) to 8,767 Primary and Derivative Plaintiffs

Moreover, this work was completed in a transparent, objective manner consistent with the Settlement Process Agreement.

#### **Status of Payments**

**Initial Payments:** Initial Payments were made to each Plaintiff who opted in to the Settlement Process Agreement (as determined pursuant to Section IX.A of the Agreement) and for whom the Allocation Neutral determined the payment eligibility requirements were satisfied (as set forth in VII of the Agreement).

The Allocation Neutral issued the first Initial Payment Instruction Report to the WTC Captive on January 27, 2011. Further Initial Payment Instructions were issued in 44 subsequent Payment Instruction Reports through December 20, 2011. From January 27, 2011 through December 20, 2011, 10,006 Primary Plaintiffs and 5,395 Derivative Plaintiffs appeared on Payment Instruction Reports issued by the Allocation Neutral to the WTC Captive.

**Tier 2 and 3 Accelerated Final Payments:** The Allocation Neutral issued the first Accelerated Final Payment Instruction Report on March 30, 2011, and continued issuing such reports through December 20, 2011. A Plaintiff's placement on a Payment Instruction Report was subject to certain conditions precedent, including resolution of any associated deficiency cures, and, if applicable, Reconsideration Request and Appeal. In total, the Payment Instruction Reports for Accelerated Final Payments included 1,617 Tier 2 Primary Plaintiffs, 875 Tier 2 Derivative Plaintiffs, 695 Tier 3 Primary Plaintiffs, and 379 Tier 3 Derivative Plaintiffs.

**Tier 4 Interim Payments and Final Distributions:** The Allocation Neutral issued the first Interim Payment Instruction Report on June 30, 2011 for Tier 4 Plaintiffs and thereafter

issued an additional 24 such Payment Instruction Reports through December 20, 2011. A Plaintiff's placement on a Payment Instruction Report was subject to certain conditions precedent, including resolution of any associated deficiency cures, and, if applicable, Reconsideration Request and Appeal. In total, the Payment Instruction Reports included Tier 4 Interim Payments to 5,492 Primary Plaintiffs and 3,119 Derivative Plaintiffs. Final Distributions for all Master Dockets were completed on January 19, 2012. The Final Distribution Payment Instruction Reports included 5,492 Primary Plaintiffs and 3,119 Derivative Plaintiffs.

Throughout the payment process, the WTC Captive was diligent and exceptionally prompt in processing all Payment Instruction Reports from the Allocation Neutral.

#### **Status of Other Elements of Recovery**

**Permanent Disability Fund Awards:** The Allocation Neutral issued 1,339 Permanent Disability Payment Instructions. These awards were made pursuant to Section XVI of the Settlement Progress Agreement.

**Mixed Orthopedic Injury Payments:** The Allocation Neutral issued Payment Instructions for 68 Mixed Orthopedic Injuries occurring during work or volunteer service at the WTC site or related locations at which the respective Plaintiff alleged exposure.

**Qualifying Surgery Payments:** The Allocation Neutral issued instructions for 286 Qualifying Surgery payments subject to procedures listed in Exhibit D to the Settlement Process Agreement.

**London Marine insurance settlement:** Pursuant to the separate settlement with the London Marine insurers, the London Marine Insurers deposited \$28 million into the Separate Account on June 9, 2011. Shortly after that deposit, initial marine payments began being issued to settling Primary Plaintiffs eligible to participate in the London Marine insurance settlement.

To date, 524 Marine Payments have been made to Tier 1-3 Primary Plaintiffs. Additional marine insurance payments will be made as soon as possible to marine-eligible Verified Tier 4 Primary Plaintiffs.

#### **Expense Audits**

The Allocation Neutral completed pre-payment expense audits on 455 randomly selected Plaintiffs as required by the Settlement Process Agreement (See March 9th Report at 7-8).

#### **Random Audits**

As noted in the previous Status Reports to the Court, the Allocation Neutral completed Random Audits (reviewing the medical records of more than 300 randomly selected Plaintiffs). Based on the results of the Random Audit process, the Allocation Neutral did not conduct Targeted Audits.<sup>1</sup>

#### **Appeals**

A total of 342 Appeals were submitted to the Claims Appeal Neutral. The Claims Appeal Neutral's determination with respect to all Appeals was final, binding and not subject to further appeal. The Claims Appeal Neutral completed the review and resolution of Appeals thoroughly and extremely promptly. Once the Claims Appeal Neutral rendered a decision, the Allocation Neutral processed payment due, if any, accordingly.

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<sup>1</sup> "Targeted Audits" would only have been required if more than 10% of Tier 3 and/or Tier 4 claims selected for Random Audits result in findings by the Allocation Neutral of material misrepresentation, material omission or material concealment of the type described in Section XI.M of the Settlement Process Agreement.

### **Remaining Items/Issues**

As expected in any settlement program of this magnitude, there are a few remaining items that will require the Allocation Neutral's assistance to conclude, including Tier 4 Marine Payments as noted above, ensuring availability of the WTC Web Portal for the uploading of structured settlement documents, completing reconciliation<sup>2</sup> and resolving any remaining Workers' Compensation liens. All of these items could not be completed until Final Distribution amounts were known and/or distributed. The Allocation Neutral does not expect that these few remaining items will present any issues.

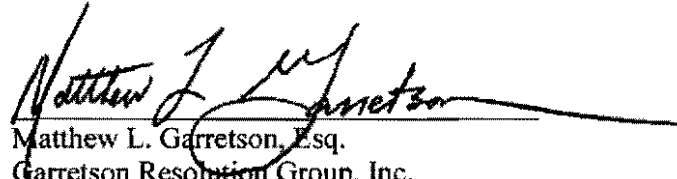
### **Conclusion**

Finally, the Allocation Neutral would like to thank all those involved in the process and procedures outlined herein: the heroic first responders to the 9/11 tragedies and the other settling plaintiffs, the City and contractors that managed the rescue, recovery and debris-removal effort, the WTC Captive Insurance Company, the parties' attorneys, the participating government agencies and other healthcare agencies that waived their reimbursement interests ("liens") related to payments made to the plaintiffs, the Claims Appeals Neutral and certainly this honorable Court. Without the collective support, diligence and dedication of all involved, these results would not have been possible. It has been a terrific honor to serve the people and the process.

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<sup>2</sup> The Allocation Neutral shall reconcile total disbursement dollars to ensure "zero balance", that is the total net proceeds to claimants (contained on the payment instruction reports) equals the total amount of all checks written from plaintiff counsel's bank account.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Matthew L. Garretson", with a long horizontal flourish extending to the right.

Matthew L. Garretson, Esq.  
Garretson Resolution Group, Inc.  
Allocation Neutral

January 24, 2012

**Exhibit 1 - WTC Operational Metrics Dashboard**  
**1/24/2012**

Wave	Issue Date	Payments Made	Payments Made
Initial Payments			
Wave 1	1/27/2011	1,548	625
Wave 2	2/2/2011	1,638	926
Wave 3	2/14/2011	1,739	959
Wave 4	3/8/2011	1,799	1,006
Wave 5	3/10/2011	1,102	590
Wave 6	3/16/2011	614	321
Wave 7	3/23/2011	588	350
Wave 8	3/30/2011	466	256
Wave 9	4/6/2011	129	65
Wave 10	4/13/2011	52	25
Wave 11	4/20/2011	59	41
Wave 12	4/27/2011	32	17
Wave 13	5/4/2011	90	79
Wave 14	5/11/2011	40	47
Wave 15	5/18/2011	22	26
Wave 16	5/25/2011	1	2
Wave 17	6/1/2011	6	2
Wave 18	6/8/2011	1	0
Wave 19	6/15/2011	0	3
Wave 20	6/22/2011	2	1
Wave 21	6/30/2011	0	0
Wave 22	7/6/2011	0	0
Wave 23	7/14/2011	2	2
Wave 24	7/22/2011	2	1
Wave 25	7/27/2011	1	1
Wave 26	8/3/2011	1	0
Wave 27	8/10/2011	1	1
Wave 28	8/17/2011	1	0
Wave 29	8/24/2011	4	3
Wave 30	9/1/2011	0	0
Wave 31	9/7/2011	5	3
Wave 32	9/14/2011	0	0
Wave 33	9/21/2011	1	2
Wave 34	9/28/2011	1	1
Wave 35	10/5/2011	1	1
Wave 36	10/13/2011	0	0
Wave 37	10/19/2011	0	0
Wave 38	10/27/2011	1	1
Wave 39	11/2/2011	1	1
Wave 40	11/9/2011	4	2
Wave 41	11/16/2011	10	7
Wave 42	11/23/2011	5	3
Wave 43	11/30/2011	4	3
Wave 44	12/7/2011	6	8
Wave 45	12/20/2011	27	16
**** Totals To Date		10,006	5,397



**Exhibit 1 - WTC Operational Metrics Dashboard**  
**1/24/2012**

PAYMENTS INFORMATION		Primary Plaintiffs Payments Made	Derivative Plaintiffs Payments Made
<b>Tier 2 - Accelerated Final Payments</b>	<b>Issue Date</b>		
Wave 8	3/30/2011	125	75
Wave 9	4/6/2011	546	321
Wave 10	4/13/2011	116	58
Wave 11	4/20/2011	286	152
Wave 12	4/27/2011	312	164
Wave 13	5/4/2011	23	10
Wave 14	5/11/2011	18	6
Wave 15	5/18/2011	15	8
Wave 16	5/25/2011	14	4
Wave 17	6/1/2011	10	5
Wave 18	6/8/2011	4	0
Wave 19	6/15/2011	3	1
Wave 20	6/22/2011	7	4
Wave 21	6/30/2011	1	1
Wave 22	7/6/2011	1	1
Wave 23	7/14/2011	2	2
Wave 24	7/22/2011	2	1
Wave 25	7/27/2011	7	5
Wave 26	8/3/2011	1	0
Wave 27	8/10/2011	1	1
Wave 28	8/17/2011	7	4
Wave 29	8/24/2011	6	1
Wave 30	9/1/2011	4	2
Wave 31	9/7/2011	2	1
Wave 32	9/14/2011	2	2
Wave 33	9/21/2011	0	0
Wave 34	9/28/2011	6	4
Wave 35	10/5/2011	13	6
Wave 36	10/13/2011	2	0
Wave 37	10/19/2011	5	2
Wave 38	10/27/2011	8	6
Wave 39	11/2/2011	12	5
Wave 40	11/9/2011	8	2
Wave 41	11/16/2011	10	5
Wave 42	11/23/2011	5	1
Wave 43	11/30/2011	6	1
Wave 44	12/7/2011	4	2
Wave 45	12/20/2011	23	12
<b>**** Totals To Date</b>		<b>1,617</b>	<b>875</b>
<b>Tier 3 - Accelerated Final Payments</b>	<b>Issue Date</b>		
Wave 8	3/30/2011	42	22
Wave 9	4/6/2011	123	75
Wave 10	4/13/2011	37	20
Wave 11	4/20/2011	145	88
Wave 12	4/27/2011	168	82
Wave 13	5/4/2011	8	3
Wave 14	5/11/2011	8	5
Wave 15	5/18/2011	2	1
Wave 16	5/25/2011	5	2
Wave 17	6/1/2011	5	2
Wave 18	6/8/2011	13	7
Wave 19	6/15/2011	2	1
Wave 20	6/22/2011	5	1
Wave 21	6/30/2011	0	0
Wave 22	7/6/2011	3	1
Wave 23	7/14/2011	7	4
Wave 24	7/22/2011	13	6
Wave 25	7/27/2011	19	9
Wave 26	8/3/2011	1	1
Wave 27	8/10/2011	2	1
Wave 28	8/17/2011	10	2
Wave 29	8/24/2011	12	6
Wave 30	9/1/2011	5	3
Wave 31	9/7/2011	3	2
Wave 32	9/14/2011	1	0
Wave 33	9/21/2011	3	2
Wave 34	9/28/2011	13	7
Wave 35	10/5/2011	5	3
Wave 36	10/13/2011	2	1

**Exhibit 1 - WTC Operational Metrics Dashboard**  
**1/24/2012**

PAYMENT INFORMATION	Issue Date	Primary Plaintiffs	Subsidiary Plaintiffs
<b>Tier 3 - Accelerated Final Payments (cont.)</b>			
Wave 37	10/19/2011	3	2
Wave 38	10/27/2011	8	3
Wave 39	11/2/2011	1	1
Wave 40	11/9/2011	1	0
Wave 41	11/16/2011	3	2
Wave 42	11/23/2011	3	3
Wave 43	11/30/2011	7	6
Wave 44	12/7/2011	3	3
Wave 45	12/20/2011	4	2
<b>**** Totals To Date</b>		<b>695</b>	<b>379</b>
<b>Tier 4 - Interim Payments</b>			
Wave 21	6/30/2011	2,115	1,219
Wave 22	7/6/2011	46	28
Wave 23	7/14/2011	293	163
Wave 24	7/22/2011	395	226
Wave 25	7/27/2011	69	34
Wave 26	8/3/2011	41	17
Wave 27	8/10/2011	183	92
Wave 28	8/17/2011	300	177
Wave 29	8/24/2011	482	278
Wave 30	9/1/2011	51	23
Wave 31	9/7/2011	217	126
Wave 32	9/14/2011	50	26
Wave 33	9/21/2011	139	91
Wave 34	9/28/2011	184	98
Wave 35	10/5/2011	221	106
Wave 36	10/13/2011	79	49
Wave 37	10/19/2011	67	38
Wave 38	10/27/2011	69	38
Wave 39	11/2/2011	50	31
Wave 40	11/9/2011	50	26
Wave 41	11/16/2011	88	58
Wave 42	11/23/2011	41	24
Wave 43	11/30/2011	94	55
Wave 44	12/7/2011	61	37
Wave 45	12/20/2011	107	59
<b>**** Totals To Date</b>		<b>5,492</b>	<b>3,119</b>

**Exhibit 1 - WTC Operational Metrics Dashboard**  
**1/24/2012**

Recovery Element	Issue Date	Primary Plaintiffs Payments Made	Derivative Plaintiffs Payments Made
<b>Tier A - Final Distribution Payments</b>			
All 21mc100 Plaintiffs (Wave 47)	1/19/2012	5,124	2,993
All 21mc102 Plaintiffs (Wave 48)	1/19/2012	137	47
All 21mc103 Plaintiffs (Wave 49)	1/19/2012	311	155
<b>*** Totals To Date</b>		<b>5,572</b>	<b>3,195</b>
<b>Other Elements of Recovery</b>		<b>Primary Plaintiffs</b>	<b>Derivative Plaintiffs</b>
		<b>Payments Made</b>	<b>Payments Made</b>
<b>Permanent Disability Fund Awards</b>	<b>Issue Date</b>		
Single Payment Wave (Wave 46)	1/3/2012	1,339	N/A
<b>Mixed Orthopedic Injury Payments</b>	<b>Issue Date</b>		
Wave 45	12/20/2011	68	N/A
<b>Qualifying Surgery Payments</b>	<b>Issue Date</b>		
Wave 15	5/18/2011	8	N/A
Wave 16	5/25/2011	9	N/A
Wave 17	6/1/2011	5	N/A
Wave 18	6/8/2011	1	N/A
Wave 21	6/30/2011	7	N/A
Wave 22	7/6/2011	14	N/A
Wave 23	7/14/2011	4	N/A
Wave 24	7/22/2011	31	N/A
Wave 25	7/27/2011	1	N/A
Wave 26	8/3/2011	2	N/A
Wave 27	8/10/2011	9	N/A
Wave 28	8/17/2011	11	N/A
Wave 29	8/24/2011	24	N/A
Wave 30	9/1/2011	4	N/A
Wave 31	9/7/2011	20	N/A
Wave 32	9/14/2011	11	N/A
Wave 33	9/21/2011	6	N/A
Wave 34	9/28/2011	15	N/A
Wave 35	10/5/2011	8	N/A
Wave 36	10/13/2011	10	N/A
Wave 37	10/19/2011	13	N/A
Wave 38	10/27/2011	3	N/A
Wave 39	11/2/2011	4	N/A
Wave 40	11/9/2011	5	N/A
Wave 41	11/16/2011	3	N/A
Wave 42	11/23/2011	3	N/A
Wave 43	11/30/2011	15	N/A
Wave 44	12/7/2011	2	N/A
Wave 45	12/20/2011	38	N/A
<b>** Totals Qualifying Surgeries **</b>		<b>286</b>	<b>N/A</b>
<b>**** Totals To Date (All Other Elements of Recovery)</b>		<b>1,693</b>	<b>N/A</b>

**Exhibit 1 - WTC Operational Metrics Dashboard**  
**1/24/2012**

WAVE INFORMATION	Issue Date	# Primary Plaintiffs	# Other Plaintiffs
Wave #	Issue Date	Payment Made*	Payment Made*
Wave 19	6/15/2011	478	N/A
Wave 20	6/22/2011	2	N/A
Wave 23	7/14/2011	2	N/A
Wave 24	7/22/2011	1	N/A
Wave 25	7/27/2011	4	N/A
Wave 26	8/3/2011	1	N/A
Wave 28	8/17/2011	4	N/A
Wave 29	8/24/2011	2	N/A
Wave 32	9/14/2011	1	N/A
Wave 34	9/26/2011	3	N/A
Wave 35	10/5/2011	2	N/A
Wave 36	10/13/2011	1	N/A
Wave 37	10/19/2011	0	N/A
Wave 38	10/27/2011	3	N/A
Wave 39	11/2/2011	0	N/A
Wave 40	11/9/2011	5	N/A
Wave 41	11/16/2011	3	N/A
Wave 42	11/23/2011	2	N/A
Wave 43	11/30/2011	0	N/A
Wave 44	12/7/2011	0	N/A
Wave 45	12/20/2011	10	N/A
**** Totals To Date		524	N/A
**** Grand Totals To Date		27,006	12,965

EXPENSE AUDIT INFORMATION	
No. of firms in settlement	26
No. of claimants selected for random audit	455
No. of audits completed	455
% of completion	100%

RANDOM AUDIT (Medical Records)	
No. of firms in settlement	26
No. of Tier 3 claimants selected for random audit	36
No. of Tier 3 cases with all medical records reviewed	36
% of T3 complete (case complete and RA complete)	100%
No. of Tier 4 claimants selected for random audit	282
No. of Tier 4 cases with all medical records reviewed	282
% of T4 complete (case complete and RA complete)	100%

LIENS	# Claimants Entitlement Status Verified	# Claimants Entitled To Medicaid	# Liens Waived or completed at \$0	# Liens Pending
Medicare ** obtained full waiver from Medicare**	N/A	Full Waiver	N/A	N/A
Medicaid	9,146	1,056	1,056	0
	# Liens Reported	# Liens Waived or Discharged	# Liens Resolved	# Liens Pending ****
Workers' Comp	1,074	626	123	325
**** Remaining Workers' Comp Liens are in the process of being resolved now that gross awards are known				

MEDICAL RECORD REVIEW	Determination Notices Issued	Deficiencies Issued*
Tier-2	1,659	139
Tier-3	717	106
Tier-4	5,571	1,965

\* Deficiencies are reported at an injury level

Judge wrote:

“This report shall be posted on the court’s 9/11 web page. An amended report is awaited to identify the aggregate dollars distributed for the claimants of each tier, and for admin. Expenses. The Allocation Neutral, in addition to the contingencies cited, also shall re-open the administration to perform final orders relating to bonus payments and contingency payments as provided for by the SPA.

So ordered

1-27-12

Alvin K. Hellerstein”